Valuation of Assets of IISCO

3501. SHRI PARMESHWAR KUMAR AGARWALLA : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that while doing the assessment of net present value of IISCO assets, various leading consultants have given a different value ;

(b) if so, what are the actual figures given by these Consultants ;

(c) whether it is also a fact that there are various lacunea even in these assessments i.e. even the land value rental value assessed by these Consultants is very low ;

(d) if so, whether Government would consider assessment of the net present value of IISCO assets by a disinterested party ; and

(e) if not, the reasons thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) and (b) The Committee of Experts (COE) set up by Government on private participation in IISCO got the fixed assets of IISCO viz. (i) land and buildings (ii) plant and machinery and (iii) ore mines and collieries evaluated by independent and expert professional appraisers. Details of the evaluation are given below :

Nature of Assets	Appraisers and Basis of Evaluation	Value as indicated by Appraisers (Rs./crores)
Land & building . .	Housing Development Finance Corporation Current Replacement cost as the basis.	655 97
Plant & machinery . .	Metallurgical & Engg. Consultants (India) Ltd.—Discounted cash-flow @18% as the basis.	784.16
Mineral Resouces (excluding Chiria Iron Ore Deposits)	Price Waterhouse & Co. —Capitalisation of probable income stream as the basis.	777 06

(c) to (e) (i) There is no single method of revaluation which is commonly applied and accepted beyond any dispute or debate ;

(ii) The above appraisers are disinterested parties and considered to be independent and expert professional agencies ;

(iii) There is no proposal to sell IISCO's assets and the persons acquiring shares/ management of IISCO will not be free to dispose of the capital assets.

(iv) The COE advised that the price of an assest is determined by the consideration the buyer is prepared to pay and any question in regard to value of assets becomes somewhat irrelevant.

In view of above there is no need for further revaluation of assets.

इंडियन आयरन एंड स्टील कम्पनी के आधुनिकीकरण के लिए कंपनियों से प्राप्त प्रस्ताव

3502. **श्री राधा किशन मालवीय** : क्या इस्पात मंत्री यह बताने की कृपा करेंगे कि :

(क) इंडियन आयरन एण्ड स्टील कंपनी के आधुनिकीकरण के लिए स्टील अथॉरिटी ऑफ इंडिया लिमिटेड के साथ मिल कर संयुक्त